

State of California

Franchise Tax Board-Legislative Services Bureau
PO Box 1468 MS A350
Sacramento, CA 95812-1468

Telephone: (916) 845-4326
ATSS: (916) 468-4326
FAX: (916) 845-5472

Legislative Change No.

07-8

Bill Number: SB 38 Author: Battin Chapter Number: 07-222

Laws Affecting Franchise Tax Board: Section 17207 and 24347.5 of the Revenue and Taxation Code

Date Filed with the Secretary of State: September 21, 2007

SUBJECT: Disaster Loss Deduction and Excess Loss Carryover For The October, 2006, Riverside County Wildfires

Senate Bill 38 (Battin), as enacted on September 21, 2007, made the following changes to laws that affect the Franchise Tax Board:

Section 17207 and 24347.5 of the Revenue and Taxation Code is amended.

This act adds the wildfires that occurred in Riverside County in October, 2006, to the current list of specified disasters under the Personal Income Tax and Corporation Tax Laws.

This act also adds the wildfires that occurred in Ventura County in 2006 in El Dorado, Santa Barbara, and Ventura Counties in 2007, and the Freeze of 2007, to the current list of specified disasters under the Personal Income Tax and Corporation Tax Laws.

This act allows special treatment of losses sustained as a result of those disasters. Specifically, this act allows a taxpayer to elect to claim the loss either in the year the loss occurred or in the year preceding the loss. If a taxpayer elects to take the loss in the preceding year, this act allows the taxpayer to file an amended return immediately for the prior year.

This act contains provisions to preserve the changes made by this bill, AB 62 (Nava, Stat. 2007, Ch. 224), and SB 114 (Florez, Stat. 2007, Ch. 223)

This act is an urgency measure and is effective and operative immediately upon enactment.

This act will not require any reports by the department to the Legislature.

Assistant Bureau Director

Patrice Gau-Johnson

Date

11/1/07